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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-033)

Large Residential Washers from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (the ITC), the Department is issuing an antidumping duty order on large residential washers (LRWs) from the People's Republic of China (PRC). In addition, the Department is amending its final affirmative determination to correct ministerial errors.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION, CONTACT: Brian Smith at (202) 482-1766 or Denisa Ursu at (202) 482-2285, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 735(d) and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on December 15, 2016, the Department published its affirmative final determination in the less-than-fair-value (LTFV) investigation of LRWs from

the PRC.<sup>1</sup> On January 30, 2017, the ITC notified the Department of its affirmative determination that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act, by reason of the LTFV imports of LRWs from the PRC.<sup>2</sup>

### Scope of the Order

The products covered by this order are all large residential washers and certain parts thereof from the People's Republic of China.

For purposes of this order, the term "large residential washers" denotes all automatic clothes washing machines, regardless of the orientation of the rotational axis, with a cabinet width (measured from its widest point) of at least 24.5 inches (62.23 cm) and no more than 32.0 inches (81.28 cm), except as noted below.

Also covered are certain parts used in large residential washers, namely: (1) all cabinets, or portions thereof, designed for use in large residential washers; (2) all assembled tubs<sup>3</sup> designed for use in large residential washers which incorporate, at a minimum: (a) a tub; and (b) a seal; (3) all assembled baskets<sup>4</sup> designed for use in large residential washers which incorporate, at a minimum: (a) a side wrapper;<sup>5</sup> (b) a base; and (c) a drive hub;<sup>6</sup> and (4) any combination of the foregoing parts or subassemblies.

Excluded from the scope are stacked washer-dryers and commercial washers. The term "stacked washer-dryers" denotes distinct washing and drying machines that are built on a unitary frame and share a common console that controls both the washer and the dryer. The

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<sup>1</sup> See *Large Residential Washers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 81 FR 90776 (December 15, 2016) (*Final Determination*).

<sup>2</sup> See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITS Investigation No. 731-TA-1306 (January 30, 2017) (ITC Notification).

<sup>3</sup> A "tub" is the part of the washer designed to hold water.

<sup>4</sup> A "basket" (sometimes referred to as a "drum") is the part of the washer designed to hold clothing or other fabrics.

<sup>5</sup> A "side wrapper" is the cylindrical part of the basket that actually holds the clothing or other fabrics.

<sup>6</sup> A "drive hub" is the hub at the center of the base that bears the load from the motor.

term “commercial washer” denotes an automatic clothes washing machine designed for the “pay per use” segment meeting either of the following two definitions:

(1) (a) it contains payment system electronics;<sup>7</sup> (b) it is configured with an externally mounted steel frame at least six inches high that is designed to house a coin/token operated payment system (whether or not the actual coin/token operated payment system is installed at the time of importation); (c) it contains a push button user interface with a maximum of six manually selectable wash cycle settings, with no ability of the end user to otherwise modify water temperature, water level, or spin speed for a selected wash cycle setting; and (d) the console containing the user interface is made of steel and is assembled with security fasteners;<sup>8</sup> or

(2) (a) it contains payment system electronics; (b) the payment system electronics are enabled (whether or not the payment acceptance device has been installed at the time of importation) such that, in normal operation,<sup>9</sup> the unit cannot begin a wash cycle without first receiving a signal from a bona fide payment acceptance device such as an electronic credit card reader; (c) it contains a push button user interface with a maximum of six manually selectable wash cycle settings, with no ability of the end user to otherwise modify water temperature, water level, or spin speed for a selected wash cycle setting; and (d) the console containing the user interface is made of steel and is assembled with security fasteners.

Also excluded from the scope are automatic clothes washing machines that meet all of

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<sup>7</sup> “Payment system electronics” denotes a circuit board designed to receive signals from a payment acceptance device and to display payment amount, selected settings, and cycle status. Such electronics also capture cycles and payment history and provide for transmission to a reader.

<sup>8</sup> A “security fastener” is a screw with a non-standard head that requires a non-standard driver. Examples include those with a pin in the center of the head as a “center pin reject” feature to prevent standard Allen wrenches or Torx drivers from working.

<sup>9</sup> “Normal operation” refers to the operating mode(s) available to end users (*i.e.*, not a mode designed for testing or repair by a technician).

the following conditions: (1) have a vertical rotational axis; (2) are top loading;<sup>10</sup> (3) have a drive train consisting, *inter alia*, of (a) a permanent split capacitor (PSC) motor,<sup>11</sup> (b) a belt drive,<sup>12</sup> and (c) a flat wrap spring clutch.<sup>13</sup>

Also excluded from the scope are automatic clothes washing machines that meet all of the following conditions: (1) have a horizontal rotational axis; (2) are front loading;<sup>14</sup> and (3) have a drive train consisting, *inter alia*, of (a) a controlled induction motor (CIM),<sup>15</sup> and (b) a belt drive.

Also excluded from the scope are automatic clothes washing machines that meet all of the following conditions: (1) have a horizontal rotational axis; (2) are front loading; and (3) have cabinet width (measured from its widest point) of more than 28.5 inches (72.39 cm).

The products subject to this order are currently classifiable under subheadings 8450.20.0040 and 8450.20.0080 of the Harmonized Tariff Schedule of the United States (HTSUS). Products subject to this order may also enter under HTSUS subheadings 8450.11.0040, 8450.11.0080, 8450.90.2000, and 8450.90.6000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this order is dispositive.

#### Amendment to Final Determination

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<sup>10</sup> “Top loading” means that access to the basket is from the top of the washer.

<sup>11</sup> A “PSC motor” is an asynchronous, alternating current (AC), single phase induction motor that employs split phase capacitor technology.

<sup>12</sup> A “belt drive” refers to a drive system that includes a belt and pulleys.

<sup>13</sup> A “flat wrap spring clutch” is a flat metal spring that, when engaged, links abutted cylindrical pieces on the input shaft with the end of the concentric output shaft that connects to the drive hub.

<sup>14</sup> “Front loading” means that access to the basket is from the front of the washer.

<sup>15</sup> A “controlled induction motor” is an asynchronous, alternating current (AC), polyphase induction motor.

The petitioner alleged in its December 19, 2016, submission<sup>16</sup> that the Department made seven clerical errors in the *Final Determination*. After analyzing the petitioner's allegations and considering the respondents' comments, we agree that four of these seven allegations are ministerial errors within the meaning of 19 CFR 351.224(f) and section 735(e) of the Act. Accordingly, pursuant to section 735(e) of the Act and 19 CFR 351.224(e) and (f), the Department is amending the *Final Determination* to reflect the correction of ministerial errors<sup>17</sup> it made in calculating the final margin assigned to Nanjing LG-Panda Appliances Co., Ltd. (LG) and Suzhou Samsung Electronics Co., Ltd./Suzhou Samsung Electronics Co. Ltd – Export (collectively, Samsung).<sup>18</sup> In addition, because the PRC-Wide Entity rate is based on the margins for LG and Samsung, we are revising the PRC-Wide Entity rate.<sup>19</sup>

#### Antidumping Duty Order

As stated above, on January 30, 2017, in accordance with section 735(d) of the Act, the ITC notified the Department of its final determination in this investigation, in which it found material injury with respect to LRWs from the PRC.<sup>20</sup> Therefore, in accordance with section 735(c)(2) of the Act, we are issuing this antidumping duty order. Because the ITC determined that imports of LRWs from the PRC are materially injuring a U.S. industry, unliquidated entries of such merchandise from the PRC entered or withdrawn from warehouse for consumption, are subject to the assessment of antidumping duties.

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<sup>16</sup> See letter from the petitioner, "Large Residential Washers from the People's Republic of China: Petitioner's Allegation of Ministerial Errors," dated December 19, 2016.

<sup>17</sup> See section 735(e) of the Act.

<sup>18</sup> For a detailed discussion of the ministerial error allegations, see Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for AD/CVD Operations, from Irene Darzenta Tzafolias, Director, Office VIII, "Less-Than-Fair-Value Investigation of Large Residential Washers from the People's Republic of China: Allegation of Ministerial Errors in the Final Determination," dated concurrently with this notice (Clerical Error Allegation Memorandum).

<sup>19</sup> See the "Estimated Weighted-Average Dumping Margins" section below.

<sup>20</sup> See ITC Notification.

Therefore, in accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the constructed export price of the merchandise, for all relevant entries of LRWs from the PRC.

Antidumping duties will be assessed on unliquidated entries of LRWs from the PRC entered, or withdrawn from warehouse, for consumption on or after July 26, 2016, the date of publication of the *Preliminary Determination*.<sup>21</sup>

#### Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation on all relevant entries of LRWs from the PRC. These instructions suspending liquidation will remain in effect until further notice.

We will also instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the estimated weighted-average dumping margins listed below.<sup>22</sup> The PRC-Wide Entity rate applies to all producers or exporters not specifically listed.

#### Provisional Measures

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<sup>21</sup> See *Large Residential Washers from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination*, 81 FR 48741 (July 26, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

<sup>22</sup> See section 736(a)(3) of the Act.

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request the Department to extend that four-month period to no more than six months.

At the request of exporters that account for a significant proportion of LRWs from the PRC, we extended the four-month period to six months in this case.<sup>23</sup> In the underlying investigation, the Department published the *Preliminary Determination* on July 26, 2016. Therefore, the extended period beginning on the date of publication of the *Preliminary Determination*, ended January 22, 2017. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of LRWs from the PRC entered, or withdrawn from warehouse, for consumption on or after January 22, 2017, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determinations in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

#### Estimated Weighted-Average Dumping Margins

The weighted-average dumping margins are as follows:

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<sup>23</sup>See *Preliminary Determination*.

<b>Exporter</b>	<b>Producer</b>	<b>Weighted-Average Margin (%)</b>
Nanjing LG-Panda Appliances Co., Ltd. / LG Electronics, Inc.*	Nanjing LG-Panda Appliances Co., Ltd.	38.43
Suzhou Samsung Electronics Co., Ltd./ Suzhou Samsung Electronics Co. Ltd – Export / Samsung Electronics Co., Ltd.*	Suzhou Samsung Electronics Co., Ltd./ Suzhou Samsung Electronics Co. Ltd – Export	57.37
PRC-Wide Entity		49.72

\* In the *Final Determination*, LG Electronics, Inc. and Samsung Electronics Co., Ltd. Were inadvertently omitted from the margin table.

This notice constitutes the antidumping duty order with respect to LRWs from the PRC pursuant to section 736(a) of the Act. Interested parties can find a list of antidumping duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with section 736(a) of the Act and 19 CFR 351.211.

Dated: January 31, 2017.

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

[FR Doc. 2017-02469 Filed: 2/3/2017 8:45 am; Publication Date: 2/6/2017]